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NOV 3 1976
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100 Washington, D.C.

October 29, 1976

Interstate Commerce Commission
Office of the Secretary
Recording Section
Washington, D.C. 20423

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RECORDATION NO. Filed & Recorded

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INTERSTATE COMMERCE COMMISSION

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Att: Ms. Mildred Lee

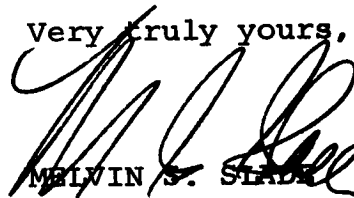
Re: Maryland and Pennsylvania Railroad
BT Leasing Services, Inc.

Dear Ms. Lee:

Enclosed is our check in the amount of \$50.00, payable to the order of the Interstate Commerce Commission, together with three copies of an Equipment Lease Agreement dated as of October 5, 1976, between BT Leasing Services, Inc. as Lessor and the Maryland and Pennsylvania Railroad Company as Lessee.

Would you be good enough to accept for filing the enclosures, and return to this office your receipt evidencing the filing of the aforementioned Equipment Lease Agreement. A stamped, self-addressed envelope is enclosed for your use.

Very truly yours,


MELVIN S. SLADE

MSS:jdm
Enc.

Interstate Commerce Commission
Washington, D.C. 20423

11/4/76

OFFICE OF THE SECRETARY

Mr. Melvin S. Slade

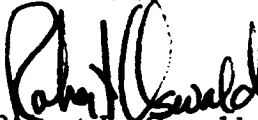
Glass Greenberg Irwin Pellman & Slade
540 Madison Avenue
New York, N.Y. 10022

Dear

Sir:

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,
49 U.S.C. 20(c), on 11/3/76 at 9:20am
and assigned recordation number(s) 8550

Sincerely yours,


Robert L. Oswald
Secretary

Enclosure(s)

SE-30
(5/76)

EQUIPMENT LEASE AGREEMENT

EQUIPMENT LEASE AGREEMENT dated as of October 5, 1976
 between BT Leasing Services Inc. ("Lessor")
 and Maryland and Pennsylvania Railroad Company ("Lessee")
 a Pennsylvania and Maryland corporation:

W I T N E S S E T H :

WHEREAS, Lessee desires Lessor to acquire the Equipment from Seller and lease the Equipment to Lessee and, subject to the terms and conditions hereinafter set forth, Lessor is willing to do so;

NOW, THEREFORE, IT IS AGREED:

1. Exhibit A. The term "Exhibit A" shall mean the Additional Terms And Conditions Of Equipment Lease Agreement attached hereto as Exhibit A, the terms and conditions of which are hereby incorporated in, and made a part of, this Agreement to the same extent as if fully set forth herein. The terms used in Exhibit A which are defined in this Agreement shall have the same meanings as are provided therefor herein; the terms used in this Agreement which are defined in Exhibit A shall have the same meanings as are provided therefor in Exhibit A. Each reference herein to "this Agreement" and like words shall include Exhibit A.

2. Acquisition, Delivery and Acceptance of the Equipment.

(a) Either: (i) Lessee has heretofore ordered the Equipment pursuant to one or more Purchase Orders (in form and substance satisfactory to Lessor), a true, correct and complete copy of each of which has been furnished to Lessor, and Lessee has delivered, or shall forthwith deliver to Lessor, an assignment of its rights under each such Purchase Order together with the consent of Seller with respect thereto (each of which shall be in form and substance satisfactory to Lessor); or (ii) Lessor, at the request of Lessee and contemporaneously with the execution and delivery of this Agreement, has ordered the Equipment pursuant to one or more Purchase Orders, a copy of each of which has been furnished to Lessee and which Lessee, by its execution and delivery of this Agreement, approves.

(b) Lessor shall have no obligations under any Purchase Order other than to pay the purchase price for the Equipment covered thereby in accordance with the provisions of this Agreement; Lessee shall be responsible for the performance of all other obligations (other than those of any Seller) under each Purchase Order. Lessor shall have no responsibility or liability to Lessee or any other Person for the adequacy or accuracy of any specifications set forth in any Purchase Order or for the failure on the part of any Seller to accept any Purchase Order or to make delivery of any Equipment covered thereby in accordance with the terms thereof.

(c) Simultaneously with the acquisition of any Equipment by Lessor, Lessee shall accept delivery of such Equipment and shall execute and deliver to Lessor one or more Acceptance Certificates relating to such Equipment.

(d) Upon the satisfaction of the conditions set forth in this Section and in Section 5: (i) Lessor shall acquire the Equipment for a purchase price not to exceed Maximum Acquisition Cost; and (ii) upon receipt by Lessor of Seller's invoice for any Equipment (approved in writing by Lessee), Lessor shall remit to Seller the amount thereof provided that (x) such amount, together with any amounts previously paid in respect of the Equipment, does not exceed Maximum Acquisition Cost and (y) Lessor shall have agreed in writing with the manner in which invoices of Seller are to be submitted and paid.

(e) In the event that Lessee shall fail for any reason to (i) ~~forthwith deliver to Lessor the assignment of each Purchase Order (including each Seller's consent thereto), if required by this Section,~~ (ii) accept delivery of any Equipment, (iii) execute and deliver to Lessor an Acceptance Certificate relating to any Equipment or (iv) approve an invoice relating to any Equipment, Lessee shall, on demand by Lessor, forthwith pay Lessor any amounts theretofore paid or then owing by Lessor to any Seller or to any other Person in respect of the Equipment, this Agreement, any Purchase Order or otherwise, together with a handling charge in the amount specified in Exhibit A. Upon such payment Lessee shall become (i) subrogated to Lessor's claims (if any) against each Seller and (ii) entitled to the Equipment as-is-where-is without recourse and without representations, warranties or agreements of any kind and Lessor shall thereupon be released from all of its obligations hereunder.

(f) The delivery of any Equipment to Lessee and the delivery to Lessor of an Acceptance Certificate with respect thereto shall constitute Lessee's acknowledgment that: (i) Lessee has fully inspected such Equipment; (ii) such Equipment is in good condition and repair, is of the manufacture, design and specifications selected by Lessee and is suitable for Lessee's purposes; (iii) such Equipment is in full compliance with this Agreement and Lessee has accepted such Equipment hereunder; and (iv) Lessor has made no representation or warranty of any kind with respect to such Equipment.

(g) ~~Lessee shall: (i) pay all costs and expenses of freight, packing, insurance, handling, storage, shipment and delivery of the Equipment to the extent that the same have not been included in Acquisition Cost; and (ii) furnish, at its own cost and expense, such labor, equipment and other facilities and supplies as may be required to install and erect the Equipment, which installation and erection shall be in accordance with the specifications and requirements of each Seller.~~

3. Representations and Warranties of Lessor.

(a) LESSOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE TITLE OR OWNERSHIP, CONDITION, QUALITY, DURABILITY, SUITABILITY, ADEQUACY, MERCHANTABILITY, FITNESS FOR USE OR FOR A PARTICULAR PURPOSE, DESIGN, OPERATION, USE OR PERFORMANCE OF ANY EQUIPMENT OR ANY OTHER REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY EQUIPMENT or otherwise hereunder except that Lessor represents and warrants that Lessor has the power and authority to execute and carry out this Agreement.

(b) Nothing contained in this Section shall be deemed to limit Lessee from availing itself of any representations, warranties or agreements of any Seller. Lessee acknowledges and agrees that, except as otherwise specifically provided herein, Lessor shall have no responsibility or liability to Lessee or any other Person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Equipment or by any inadequacy thereof or deficiency or defect therein or by any other circumstance in connection therewith; (ii) the use, operation or performance of any Equipment or any risks relating thereto; (iii) any interruption of service, loss of business or anticipatory profits or consequential damages; or (iv) the delivery, installation, erection, testing, programming, adjusting, operation, servicing, maintenance, repair, improvement or replacement of any Equipment.

4. Representations and Warranties of Lessee. In order to induce Lessor to enter into this Agreement and to lease the Equipment to Lessee, Lessee makes the following representations and warranties which shall survive the execution and delivery of this Agreement:

(a) Lessee: (i) is a duly organized and validly existing corporation in good standing under the laws of the State of its incorporation and has the corporate power and authority to own its property and assets and to transact the business in which it is engaged; (ii) is duly qualified or licensed as a foreign corporation in good standing in every jurisdiction (wherein the Equipment will be located) in which the nature of the business in which it is engaged makes such qualification or licensing necessary; and (iii) has the corporate power and authority to execute, deliver and carry out the terms and provisions of this Agreement and each of the other instruments and agreements (the "Other Agreements") delivered in connection with this Agreement.

(b) Neither the execution and delivery of this Agreement or any of the Other Agreements, nor the consummation of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will contravene any provision of law, statute, rule or regulation to which Lessee is subject or any judgment, decree, franchise, order or permit applicable to Lessee, or will conflict or will be inconsistent with, or will result in any breach of, any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, security interest, charge or encumbrance upon any of the property or assets of Lessee pursuant to the terms of, any indenture, mortgage, deed of trust, agreement or other instrument to which Lessee is a party or by which it is bound or to which it is subject, or violate any provision of the Certificate of Incorporation or By-Laws of Lessee.

(c) This Agreement has been duly authorized, executed and delivered by Lessee and constitutes the legal, valid and binding obligation of Lessee enforceable in accordance with its terms. Each of the Other Agreements will be, at the time of the delivery thereof, duly authorized, executed and delivered by Lessee and constitute the legal, valid and binding obligations of Lessee enforceable in accordance with their respective terms.

(d) No approval, authorization or consent of any governmental or public body or authority is necessary to enable Lessee to execute, deliver and carry out the terms and provisions of this Agreement and the Other Agreements except those which have been duly obtained and certified copies thereof delivered to Lessor.

(e) Any Equipment acquired by Lessor pursuant to the Purchase Order will be free and clear of any claims, mortgages, pledges, liens, security interests or other charges or encumbrances of any kind in favor of any Person other than Lessor.

(f) Either: (i) Lessee is the record owner of the real property constituting the Equipment Location and there is no mortgage, lien or other encumbrance existing with respect to such real property; or (ii) there has been duly executed and delivered to Lessor a Real Property Waiver by each owner, mortgagee, lienor or other encumbrancer of such real property.

(g) Lessee's chief place of business is located in the State specified in Exhibit A.

5. Conditions Precedent to Lessor's Obligations. The obligations of Lessor to acquire the Equipment from Seller and to lease the Equipment to Lessee are subject, ~~at the time of the entering into by Lessor with Seller of any commitment to acquire the Equipment and at the time of each delivery of any Equipment to Lessee and at the time of each payment by Lessor in respect of Acquisition Cost of any Equipment (all except as hereinafter indicated), to the satisfaction of the following conditions:~~ OK
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(a) At or prior to the earliest of any such times and thereafter upon the request of Lessor, Lessor shall have received from counsel for Lessee satisfactory to Lessor, a favorable opinion, addressed to Lessor, to the effect stated in Subsections (a) through (e) of Section 4 and covering such other matters incident to the transactions herein contemplated as Lessor may request.

(b) There shall exist no condition, event or act which would constitute an Event of Default and no condition, event or act which, with the giving of notice or lapse of time, or both, would constitute such an Event of Default.

(c) All representations and warranties by Lessee contained herein or otherwise made in writing in connection herewith shall be true and correct with the same effect as though the representations and warranties had been made on and as of the date of the entering into of such commitment or the date of such delivery or the date of such payment, as the case may be.

(d) All corporate and legal proceedings and all documents in connection with the transactions contemplated

by this Agreement shall be satisfactory in form and substance to Lessor, and Lessor shall have received all information and copies of all documents, including records of corporate proceedings, which Lessor may reasonably have requested in connection therewith, such documents where appropriate to be certified by proper corporate or governmental authorities.

(c) The applicable law or the applicable rules or regulations of any governmental or public body or authority shall not: (i) prohibit Lessor from acquiring the Equipment and/or leasing same to Lessee; or (ii) after the date hereof, have been changed so as to impose doing business restrictions or other requirements upon Lessor which Lessor shall have determined to be too burdensome.

(f) The additional conditions (if any) set forth in Exhibit A.

6. Lease Term. The term of the Lease of any Equipment shall commence and terminate in the manner provided in Exhibit A; provided, however, (i) the term of the Lease of any Equipment may be earlier terminated in the manner specified in certain other provisions of this Agreement and (ii) the obligations of Lessee hereunder shall commence as of the date hereof.

7. Rent; Net Lease.

(a) Lessee shall pay Lessor rent for the Equipment in the amounts, at the times, in the manner and as otherwise provided in Exhibit A. To the extent legally enforceable, Lessee shall pay Lessor interest at the Premium Rate on any installment of rent the payment of which is more than 15 days overdue.

(b) All payments of rent and other payments to be made by Lessee to Lessor pursuant to this Agreement shall be paid to Lessor in lawful money of the United States in New York Clearing House funds at the place specified in or pursuant to Exhibit A.

(c) Lessee's obligation to make rent payments and to make the other payments pursuant to this Agreement shall be absolute and unconditional and shall not be affected by any circumstance whatsoever, including (without limitation) any (i) set off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor, the Seller or any other Person for any reason whatsoever; (ii) defect in the title, condition, design, operation, or fitness for use of, or any damage to or loss or destruction of, any Equipment, or any interruption or cessation in the use or possession thereof by Lessee for any reason whatsoever; or (iii) insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee. Each payment of rent or other payment made by Lessee hereunder shall be final and Lessee will not seek to recover all or any part of such payment from Lessor for any reason whatsoever. Lessee hereby waives, to the extent permitted by applicable law, any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Agreement except in accordance with the express terms hereof. If for any reason whatsoever this Agreement shall be terminated in whole or in part by operation of law or otherwise (except as specifically provided herein), Lessee nonetheless agrees to pay to Lessor an amount equal to each rent payment at the time such payment would have become due and payable in accordance with the terms hereof had this Agreement not been terminated in whole or in part.

(d) The lease of Equipment hereunder is a net lease and the rent shall be absolutely net to Lessor, and all costs and expenses and obligations of every kind and nature relating to the Equipment shall be paid by Lessee, except as otherwise expressly provided herein.

8. Title of Lessor; Possession and Use of the Equipment: Subletting, Liens, Assignment, etc. Prohibited.

(a) Title to the Equipment shall at all times remain in Lessor. Lessee, at its own cost and expense, shall protect and defend the title of Lessor.

(b) Lessee shall have no rights, interests or property in the Equipment except the use and quiet enjoyment thereof as Lessee in accordance with the terms and provisions of this Agreement. Unless an Event of Default shall have occurred and be continuing, Lessee may hold, possess and use the Equipment in the ordinary course of the regular business conducted by Lessee.

(c) The Equipment shall be located at the Equipment Location and shall not be removed therefrom without the prior written consent of Lessor.

(d) Without the prior written consent of Lessor, Lessee shall not (i) sublease, part with possession of, or otherwise transfer or dispose of, any Equipment; (ii) contract, create, incur, assume or suffer to exist any claim, mortgage, pledge, lien, security interest or other charge or encumbrance of any kind upon or with respect to any Equipment or any of its rights under this Agreement; or (iii) sell, assign, transfer or otherwise dispose of any of its rights under this Agreement.

(e) Upon the request of Lessor at any time, Lessee, at its own cost and expense, shall cause the Equipment to be legibly marked in a reasonably prominent location with a plate, disk or other marking showing Lessor's ownership of the Equipment.

(f) Lessee shall comply fully with all statutes, ordinances and regulations relating to the use and operation of the Equipment and with all conditions and provisions of any policies of insurance relating to the Equipment and, if such compliance requires changes or additions to be made on or to any Equipment, such changes and additions shall be made by Lessee at its own cost and expense.

(g) Lessee shall ~~(i) cause the Equipment to be used and operated only by personnel authorized by Lessee~~ and ~~(ii) use every reasonable precaution to prevent loss or damage to the Equipment.~~ cy

9. Improvement and Repair of the Equipment. Lessee shall pay all costs, expenses, fees and charges in connection with the use, operation and maintenance of the Equipment except only those that are included by Lessor in the determination of Acquisition Cost. Lessee, at its own cost and expense, shall keep the Equipment in good repair, condition and working order and shall furnish any and all labor, parts and other servicing required for that purpose. Except as required by Section 8 (f), Lessee shall not make any material alterations to any Equipment without the prior written CH

consent of Lessor. All parts, attachments, accessories, equipment and repairs at any time made to or placed upon any Equipment and all replacements for any Equipment shall immediately become the property of Lessor and shall be deemed to be incorporated in the Equipment and subject to the terms and provisions of this Agreement as if originally leased hereunder.

10. Insurance. Lessee shall at all times carry and maintain on the Equipment, at its own cost and expense, insurance in such amounts, against such risks (including, without limitation, public liability insurance for bodily injury and property damage), in such form and with such insurance companies as shall be satisfactory to Lessor from time to time. Lessee shall pay the premiums therefor and deliver to Lessor the original policies of insurance (or other evidence satisfactory to Lessor) of such insurance coverage. The proceeds of insurance payable as a result of loss of or damage to any Equipment shall be applied, in the sole discretion of Lessor, toward either (i) the replacement, restoration or repair of the Equipment which may be lost, stolen, destroyed or damaged or (ii) payment of the obligations of Lessee hereunder. Lessee hereby irrevocably appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payment of, and execute and endorse all instruments, documents, checks or drafts received in payment for loss or damage under any insurance policy. OK
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11. Taxes, Indemnification and Expenses.

(a) Lessee shall indemnify, protect, save and keep harmless Lessor from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements of whatsoever kind and nature, including (without limitation) legal fees and expenses, imposed on, incurred by or asserted against Lessor in any way relating to or arising out of this Agreement or any of the Other Agreements or the Equipment including (without limitation) the manufacture, purchase, acceptance or rejection under the Purchase Order, ownership, delivery, possession, use, operation, condition, performance, suitability, durability, quality, adequacy, maintenance, registration, loss, seizure, requisition, confiscation, lease, sale, return or other disposition of any Equipment (including, without limitation, latent and other defects, whether or not discoverable by Seller, Lessor or Lessee, and any claim for patent, trademark or copyright infringement).

(b) Lessee shall indemnify, protect, save and keep harmless Lessor from and against any and all license and registration fees and all sales, use, personal property, stamp or other taxes, levies, imposts, duties, charges or withholdings of any nature (together with any penalties, fines or interest thereon) imposed against Lessor, the payment of any moneys due Lessor hereunder, Lessee or any Equipment by any federal, state or local government or taxing authority upon or with respect to any Equipment, or upon the purchase, ownership, delivery, leasing, possession, use, operation, return or other disposition thereof, or upon the rentals, receipts or earnings arising therefrom, or upon or with respect to this Agreement or any of the Other Agreements (excluding, however, federal or New York State taxes on, or measured by, the net income of Lessor), unless, and to the extent only, that any such tax, levy, impost, duty, charge or withholding is being contested by Lessee in good faith and by appropriate proceedings so long as such proceedings do not involve any danger of the sale, forfeiture or loss of any Equipment or any interest therein. In case any report or return is required to be made with respect to any obligation of Lessee under this Subsection or arising out of this Subsection, Lessee will either make such report or return in such manner as will show the ownership of the Equipment in Lessor and send a copy of such report or return to Lessor or will notify Lessor of such requirement and make such report or return in such manner as shall be satisfactory to Lessor. Lessee shall have no obligation under this Subsection with respect to any taxes to the extent that the same have been included by Lessor in the determination of Acquisition Cost. OK

(c) The indemnities contained in this Section shall ~~(i) apply equally to any Equipment not yet delivered hereunder; and (ii) continue in full force and effect notwithstanding the expiration or other termination of this Agreement or any of the Other Agreements.~~ For the purpose of this Section, the term "Lessor" shall include (i) its directors, officers and employees and any agents acting for it or them and (ii) its successors and assigns. In the event that Lessee is required to make any payment under this Section, Lessee shall pay the Person indemnified an amount which, after deduction of all taxes required to be paid by said Person in respect of the receipt thereof under the laws of the United States or of any state or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against and of any other such taxes), shall be equal to the amount of such payment. Lessee's obligations under this Section shall be that of primary obligor irrespective of whether the Person indemnified shall also be indemnified with respect to the same or similar matters under any other instrument or agreement by any person and irrespective of any insurance policies which may be in existence with respect to the same. OK
LY

12. Loss of or Damage to the Equipment.

(a) No loss of or damage to any Equipment shall impair any obligation of Lessee under this Agreement, which shall continue in full force and effect.

(b) In the event of damage of any kind whatsoever to any Equipment (unless the same is determined by Lessor in its sole discretion to be damaged beyond repair), Lessee, at its own cost and expense, shall place the same in good operating order, repair, condition and appearance.

(c) If any Equipment is determined by Lessor in its sole discretion to be lost, stolen, destroyed, seized, confiscated, rendered unfit for use or damaged beyond repair, Lessee shall pay Lessor therefor, on the rent installment date for such Equipment next following such determination (or, if such determination occurs after the final rent installment date therefor, then on the expiration of the lease of such Equipment), an amount equal to the Stipulated Loss Value (as hereinafter defined) for such Equipment (computed as of such rent installment date). Upon such payment and upon the payment of any unpaid rent due on or before such rent installment date for such Equipment this Agreement shall terminate with respect to such Equipment, and Lessee thereupon shall become entitled to such Equipment as-is-where-is, without recourse and without representations, warranties or agreements of any kind whatsoever. "Stipulated Loss Value" for any Equipment as of any rent installment date shall mean, when used in this Agreement, an amount determined by multiplying Acquisition Cost for such Equipment by the percentage specified in Exhibit B attached hereto opposite such rent installment date.

(d) Lessee shall notify Lessor immediately of any loss, theft, destruction, seizure, confiscation, rendering unfit for use or damage of or to any Equipment and shall keep Lessor informed of all developments arising therefrom including (without limitation) any acts by Lessee relating to the insurance on any Equipment.

13. Surrender of the Equipment. Upon the termination of this Agreement at the end of any term of the lease of any Equipment, Lessee, at its own cost and expense, shall surrender such Equipment to Lessor at the Equipment Location. Lessee shall cooperate with Lessor in effecting removal of such Equipment from Lessee's property. Such Equipment shall be surrendered by Lessee to Lessor in the same operating order, repair, condition and appearance as originally delivered to Lessee, reasonable wear and tear excepted; Lessee shall pay for any repairs necessary to restore such Equipment to such operating order, repair, condition or appearance. Upon such termination, Lessee shall allow Lessor to store such Equipment on Lessee's property for a reasonable period of time in a manner satisfactory to Lessor but at no expense to Lessor.

14. Personal Property. The Equipment is and shall remain personal property irrespective of its use or manner of attachment to real property. Lessee will not cause or permit any Equipment to be attached to real property in such manner that it might become part of such real property without first obtaining the written approval of Lessor.

15. Inspection. At all reasonable times Lessor or its authorized representatives may inspect any Equipment and the books and records of Lessee relating thereto. Lessor shall have no duty to make any such inspection and shall not incur any liability or obligation by reason of not making any such inspection.

16. Lessor's Right to Perform for Lessee. If Lessee fails to make any payment required to be made by it hereunder or fails to perform or comply with any agreement contained herein, Lessor may itself make such payment or perform or comply with such agreement. The amount of such payment and the amount of the reasonable expenses of Lessor incurred in connection with such payment or the performance of or compliance with such agreement (including, without limitation, reasonable attorneys' fees), as the case may be, together with interest thereon at the Premium Rate, shall be payable by Lessee to Lessor upon demand.

17. Further Assurances. Lessee, at its own expense, will promptly and duly execute and deliver to Lessor such further documents and assurances and take such further action (including, without limitation, any filing, recording and/or registration) as may be necessary or advisable or as Lessor may from time to time reasonably request in order to more effectively carry out the intent and purpose of this Agreement and to establish and protect Lessor's title to the Equipment and the ownership rights and remedies created or intended to be created in favor of Lessor hereunder. Lessee hereby irrevocably authorizes Lessor to file at any time and from time to time one or more Financing Statements or Continuation Statements without Lessee's signature indicating Lessor's ownership interest in the Equipment.

18. Events of Default. The following events (each an "Event of Default") shall constitute Events of Default:

(a) Lessee shall fail to make any payment of rent or of any other sum payable by Lessee hereunder within 15 days after the same shall become due; or

(b) Lessee shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure shall continue unremedied for a period of 15 days after written notice thereof by Lessor; or

(c) Any representation or warranty made by Lessee herein or in any document or certificate furnished Lessor in connection herewith or pursuant hereto shall prove to be incorrect at any time in any material respect; or

(d) Any obligation of Lessee for the payment of borrowed money, for the deferred price of property or for the payment of rent or hire under any lease shall not be paid when due, whether by acceleration or otherwise, or shall be declared due and payable prior to the maturity thereof; or Lessee shall suspend or terminate the operations of its business; or Lessee shall become insolvent or bankrupt or make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver, or a trustee or a receiver shall be appointed for Lessee or for a substantial part of its property without its consent and shall not be dismissed for a period of 60 days; or bankruptcy, reorganization or insolvency proceedings shall be instituted by or against Lessee, and, if instituted against Lessee, shall not be dismissed for a period of 60 days.

19. Remedies. Upon the occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, Lessor may, at its option, declare this Agreement to be in default, and at any time thereafter, so long as Lessee shall not have remedied all outstanding defaults, Lessor may exercise one or more of the following remedies, as Lessor in its sole discretion shall elect:

(a) Terminate this Agreement upon not less than 5 days notice to Lessee, whereupon Lessee shall, without further demand, as liquidated damages for loss of a bargain and not as a penalty, forthwith pay to Lessor any unpaid rent due on or before the rent installment date next following the termination date (or, if any such rent installment date is on such termination date, then on such date) plus an amount equal to the aggregate Termination Value (as hereinafter defined) for all of the Equipment (computed as of such rent installment date) together with interest at the Premium Rate on such amount from the effective date of termination to the date of actual payment;

(b) Cause Lessee at its expense to return the Equipment to a place designated by Lessor, or Lessor may enter upon the premises where any Equipment is located and take immediate possession of and remove such Equipment by summary proceedings or otherwise, all without liability to Lessor for or by reason of such entry or taking possession, whether for the restoration of damage to property caused by such taking or otherwise;

(c) Sell any or all of the Equipment at public or private sale and with or without notice to Lessee or advertisement, as Lessor may in its sole discretion determine, and Lessee shall forthwith pay to Lessor an amount equal to any unpaid rent due on or before the rent installment date for such Equipment next following the date of such sale (or, if

any such rent installment date is on the date of such sale, then on such date) plus any deficiency between the net proceeds of such sale and the Termination Value for such Equipment (computed as of such rent installment date), together with interest at the Premium Rate on the amount of such deficiency from the date of such sale until the date of actual payment;

(d) Hold, use, operate, lease or keep idle any or all of the Equipment as Lessor in its sole discretion may determine, without any duty to account to Lessee with respect to any such action or inaction or for any proceeds thereof, except that the net proceeds of any such holdings, using, operating or leasing shall be credited by Lessor against any rent accruing after Lessor shall have declared this Agreement to be in default pursuant to this Section; and/or

(e) Rescind this Agreement as to any or all of the Equipment, or exercise any other right or remedy which may be available under applicable law or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof.

In addition, Lessee shall be liable for the payment of any and all other obligations due hereunder before or after any termination hereof, including, without limitation, all costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by reason of the occurrence of any Event of Default and the exercise of Lessor's remedies with respect thereto. No remedy referred to in this Section is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity and the exercise or beginning of exercise by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor of any or all such other remedies; except that satisfaction by Lessee of its obligations under Subsections (a) or (c), as the case may be, with respect to any Equipment shall preclude Lessor from thereafter exercising any other remedy provided by such Subsections (a) or (c) with respect to such Equipment. No waiver by Lessor of any Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default. "Termination Value" for any Equipment as of any rent installment date shall mean, when used in this Agreement, an amount determined by multiplying Acquisition Cost for such Equipment by the percentage specified in Exhibit B attached hereto opposite such rent installment date.

20. Notices. Unless otherwise expressly specified or permitted by the provisions hereof, all notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been given or made when deposited in the mails, postage prepaid, or, in the case of telegraphic notice, when delivered to the telegraph company, addressed (i) if to Lessee, at the address specified in Exhibit A, or at such other address as Lessee shall from time to time designate in writing to Lessor, or (ii) if to Lessor, at 280 Park Avenue, New York, New York 10017 or at such other address as Lessor shall from time to time designate in writing to Lessee. No other method of giving notice is hereby precluded.

21. Assignment by Lessor. This Agreement, title to the Equipment and/or any rents or other sums due or to become due hereunder may be transferred or assigned by Lessor without notice, and in such event Lessor's transferee or assignee shall have all the rights, powers, privileges and remedies of Lessor under this Agreement.

22. Miscellaneous. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect. This Agreement constitutes the entire agreement between the parties and no term or provision of this Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which the enforcement of the change, waiver, discharge or termination is sought. This Agreement shall constitute an agreement of lease and nothing herein shall be construed as conveying to Lessee any right, title or interest in the Equipment except as a lessee only. The captions in this Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof. This Agreement shall in all respects be governed by, and construed in accordance with, the law of the State of New York, including all matters of construction, validity and performance. This Agreement shall be binding upon and inure to the benefit of Lessor and Lessee and their successors and, subject to Section 8 (d), their assigns. To the extent, if any, that this Agreement constitutes chattel paper (as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction), no security interest in this Agreement may be created through the transfer or possession of any counterpart other than the original counterpart hereof (which shall be the counterpart bearing the legend "This is the original counterpart of the within Agreement" together with the certification of an officer of Lessor to such effect on the signature page thereof).

IN WITNESS WHEREOF, Lessor and Lessee have caused this Agreement to be duly executed as of the date first above written.

LESSOR

BT LEASING SERVICES INC.

By:

Charles F. Kiley

Assistant Treasurer

Title

LESSEE

MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

By:

Robert L. Grossman VP

Title

ADDITIONAL TERMS AND CONDITIONS
OF EQUIPMENT LEASE AGREEMENT

The following terms and conditions supplement, and are a part of, the Equipment Lease Agreement (the "Agreement") dated as of October 5, 1976 to which this Exhibit A is attached:

1. Definitions. The following terms shall have the meanings herein specified unless the context otherwise requires. Defined terms shall include in the singular number the plural and in the plural number the singular.

"(a) 'Acquisition Cost' of any Equipment shall mean an amount equal to the sum of all amounts paid by Lessor in respect of the purchase price of the Equipment, which sum shall not exceed \$938,163.96.

"(b) 'Bill of Sale' shall mean an agreement in the form of Exhibit D attached hereto conveying all of Lessee's right, title and interest in the Equipment to Lessor.

"(c) 'Equipment' shall mean the following property:

<u>Quantity</u>	<u>Description</u>	<u>Lessee Car Numbers</u>
36	70 ton, 50' 6", single sheathed, outside stake, rigid underframe general purpose box cars, Class "XM"	MPA 9164-9199 (inclusive)

"(d) 'Stipulated Loss Value' for any Equipment as of any rent installment date shall mean an amount determined by multiplying the Acquisition Cost of the Equipment by the percentage specified in Exhibit B attached hereto for such rent installment date.

"(e) 'Final Delivery Date' shall mean the earlier of
(i) the last date on which any Equipment is accepted by Lessee or
(ii) November 30, 1976.

"(f) 'Interstate Commerce Act' shall mean the
Interstate Commerce Act, as amended.

"(g) 'ICC' shall mean the Interstate Commerce Commission.

"(h) 'Person' shall mean and include any person, firm,
corporation, association, trust or other enterprise or any govern-
mental or political subdivision, or an agency, department or instru-
mentality thereof.

"(i) 'Premium Rate' shall mean the greater of (i) 12%
or (ii) 125% of the prime commercial loan rate in effect at Bankers
Trust Company, New York, at the time of the computation of the Premium
Rate.

"(j) 'Seller' shall mean Emons Leasing Co., Inc.

"(k) 'Termination Value' for any Equipment as of any
rent installment date shall mean an amount determined by multiplying
the Acquisition Cost of the Equipment by the percentage specified in
Exhibit B attached hereto for such rent installment date."

2. Acquisition, Delivery and Acceptance of the Equipment.

Section 2 is hereby amended in its entirety to read as follows:

"(a) Lessee has heretofore purchased the Equipment from the Seller pursuant to a Conditional Sales Agreement, an executed copy of which is attached as Exhibit E hereto.

(b) Lessee will convey all of its rights, title and interest in the Equipment pursuant to a Bill of Sale (the "Bill of Sale") in the form of Exhibit D attached hereto.

(c) Lessor shall have no obligation to the Lessee, Seller, or any other person under this Agreement or any other agreement with respect to the Equipment, other than to pay to Lessee the agreed upon Acquisition Cost of the Equipment. All costs of freight, packing, insurance, handling, storage, shipment and delivery of the Equipment shall be paid by Lessee.

(d) Simultaneously with the delivery to Lessor by Lessee of the Bill of Sale, Lessee shall execute and deliver to Lessor an Acceptance Certificate (the "Acceptance Certificate") in the form of Exhibit C hereto, constituting Lessee's acknowledgement that:

- (i) Lessee has fully inspected the Equipment; (ii) the Equipment is in good condition and repair, is of the manufacture, design and specifications selected by Lessee and is suitable for Lessee's purposes;
- (iii) such Equipment is in full compliance with the Agreement and Lessee has accepted such Equipment hereunder; (iv) Lessor has made no representation, warranty of any kind with respect to the Equipment, and (v) Lessee is in possession of the Equipment, except to the extent that any of the Equipment may have been subject to normal interchange agreements, in each case customary in the railroad industry

and entered into by the Lessee in the ordinary course of its business with other railroads.

(e) In the event that Lessee shall have failed or shall fail for any reason to execute and deliver for any of the Equipment an Acceptance Certificate, Lessee shall, on demand by Lessor, forthwith pay Lessor any amounts theretofore paid or the owing by Lessor to any person in respect of the Equipment, pursuant to this Agreement or otherwise, together with a handling charge in the amount specified in Exhibit A. Upon such payment Lessee shall become (i) subrogated to Lessor's claims (if any) against each such person and (ii) entitled to the Equipment as-is-where-is without representations, warranties or agreements of any kind with respect to such Equipment.

3. Representations and Warranties of Lessee. Section 4 of the Agreement is hereby amended as follows:

(a) Section 4(a) is amended by deleting the following parenthetical material which appears in the third and fourth lines: "(wherein the Equipment will be located)". This section is further amended by deleting the words "in connection with this Agreement" and inserting the following in lieu thereof: ", and has taken all necessary corporate action (including, without limitation, any consent of stockholders required by law or by the Certificate of Incorporation or By-Laws of Lessee) to authorize the execution and delivery of this Agreement and has obtained any approval, authorization or consent required by any governmental or public body, or authority, including (without limitation) the ICC pursuant to Section

20a of the Interstate Commerce Act, in connection therewith:

(b) Section 4(e) is amended by deleting the words: " Purchase Order" and inserting in lieu thereof the following: "Bill of Sale".

(c) Sections 4(f) and 4(g) are hereby deleted in their entirety.

4. Title, Possession and Use of the Equipment. Section 8 of the Agreement is hereby amended as follows:

(a) Sections 8(c) and 8(d) are deleted in their entirety and the following subdivisions inserted in lieu thereof:

"(c) The Equipment shall be used only in the continental United States, ^{Mexico} and the Dominion of Canada, provided, however, that the Equipment shall be used predominantly in the continental United States."

"(d) Without the prior written consent of Lessor, Lessee shall not (i) sublease, part with possession of, or otherwise transfer or dispose of, any Equipment, except that Lessee may subject any Equipment to normal interchange agreements, in each case customary in the railroad industry and entered into by Lessee in the ordinary course of its business with railroads, provided that no such agreement contemplates or requires the transfer of title to any such Equipment and the rights of the other parties to such agreement are subject and subordinate to the rights of the Lessor under this Agreement; (ii) contract, create, incur, assume or suffer to exist any claim, mortgage, pledge, lien, security interest or other charge or

encumbrance of any kind upon or with respect to any Equipment or any of its rights under this Agreement; or (iii) sell, assign, transfer or otherwise dispose of its rights under this Agreement."

5. Lease Term. The interim term ("Interim Term") of the lease for any Equipment shall commence on the earlier of the date on which any payment is made by Lessor in respect of the Acquisition Cost of such Equipment or the date on which such Equipment shall have been accepted by Lessee, as evidenced by the execution and delivery to Lessor by Lessee of an Acceptance Certificate substantially in the form of Exhibit C attached hereto, and shall continue through the Final Delivery Date. The basic term of the lease (the "Basic Term") shall commence on the date next following the Final Delivery Date (the "Commencement Date") and shall continue for twelve years thereafter.

6. Rent. Lessee shall pay Lessor rent, on a monthly basis, during the Interim Term on any Equipment accepted by Lessee prior to the Final Delivery Date, in an amount equal to .03125% per day of the Acquisition Cost of such Equipment. Lessee shall pay Lessor rent during the Basic Term therefore in 144 consecutive monthly payments commencing on the first monthly anniversary date of the Commencement Date for such Equipment and continuing on each monthly anniversary date thereafter, each of which monthly payments shall be in an amount equal to 1.269% of the Acquisition Cost of such Equipment.

7. Improvement and Repair of the Equipment. Section 9 of the Agreement is hereby amended by inserting the following new sentence at the end thereof: "Anything contained in this Section to

the contrary notwithstanding, Lessee shall at all times comply in all respects with all laws of the jurisdiction in which operations involving the Equipment may extend, with the interchange and the other rules of the Association of American Railroads (or any successor thereto) and with all lawful rules and regulations of the Department of Transportation and the ICC and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, to the extent that such laws, rules or regulations affect the operation, maintenance or use of the Equipment or any additional equipment or appliance thereof; and in the event that such laws, rules or regulations require alteration of the Equipment, Lessee will conform therewith, at its own cost and expense, and will maintain the Equipment in proper condition for operation under such laws, rules and regulations."

8. Further Assurances. Section 17 of the Agreement is hereby amended in its entirety to read as follows:

"17. Filing and Further Assurances. If requested by Lessor, Lessee shall, at its expense, promptly (i) cause this Agreement, each Acceptance Certificate and any amendments or supplements hereto or thereto to be duly filed for recordation with the ICC in accordance with the provisions of Section 20c of the Interstate Commerce Act; (ii) execute, deliver, acknowledge, file, record and register such further documents and assurances and take such further action as may be necessary or advisable or as Lessor may from time to time reasonably request in order to more effectively carry out the intent and purpose of this Agreement and to establish and protect

Lessor's title to the Equipment and the ownership rights and remedies created or intended to be created in favor of Lessor hereunder; and (iii) furnish, or cause to be furnished, to Lessor certificates or other evidences of such filing, registration and/or recording and an opinion or opinions of counsel for Lessee, in form and substance satisfactory to Lessor, with respect thereto."

9. Loss of or Damage to the Equipment. Section 12 of the Agreement is hereby amended by deleting Sections 12(b) and (c) in their entirety and inserting the following in lieu thereof:

"(b) In the event of damage of any kind whatsoever to any Equipment (unless the same is determined to be damaged beyond repair), Lessee, at its own cost and expense, shall place the same in good operating order, repair and condition."

"(c) If any Equipment is determined to be lost, stolen, destroyed, seized, confiscated, rendered unfit for use or damaged beyond repair (such occurrences hereinafter called Casualty Occurrences) during the term of this Agreement, Lessee shall, within 8 days from the date of such determination, notify Lessor with respect thereto. On the rent installment date next succeeding such notice (or in the event such rental payment shall occur within ten days after such notice, on the following rent installment date) the Lessee shall pay to Lessor an amount equal to the sum of the unpaid rent due on or before such rent installment date for such Equipment plus the Stipulated Loss Value (as herein defined) of such Equipment as of

such rent installment date. Upon such payment this Agreement shall terminate with respect to such Equipment, and Lessee shall become entitled to such Equipment as-is-where-is, without recourse and without representations or warranties of any kind whatsoever. Anything contained in this paragraph notwithstanding, this Agreement shall continue in full force and effect and Lessee shall continue to perform all its obligations hereunder (including, without limitation, its obligation to pay rent) with respect to such Equipment until such payment shall have been received by Lessor."

10. Notices. The address for Lessee referred to in Section 20 of the Agreement is 490 E. Market Street, York, Pennsylvania 17403.

11. Additional Sections. The following additional Sections are hereby added to the Agreement:

"23. Purchase Option. Provided that this Agreement has not been earlier terminated and Lessee is not in default hereunder, Lessee shall have the right upon written notice to Lessor, to purchase all, but not less than all the Equipment, as-is-where-is, at the end of the Basic Term, upon payment to Lessor at the time of such purchase of an amount equal to \$1.00.

"24. Marking of Equipment. Lessee agrees, as convenient, to cause to be placed on each side of such Unit, in letters not less than one inch in height, the following legend:

BT Leasing Services Inc.

Owner-Lessor

In case during the continuance of this Agreement any of such marks shall at any time be removed, defaced, destroyed or become illegible in whole or in part, Lessee will, at its own cost and expense, immediately cause the same to be restored or replaced. Lessee will cause each Unit of the Equipment to be kept numbered with the identifying number thereof as set forth in each Equipment Lease, and will not permit the number of any such Units to be changed except with the consent of Lessor and in accordance with a statement of new numbers to be substituted therefor, which consent and statement previously shall have been filed with Lessor by Lessee and filed, registered and recorded in all public offices where this Agreement (and/or any Financing Statements relating thereto) shall have been filed, registered and/or recorded. Lessee will not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership thereof by any person other than Lessor, but Lessee may letter the Equipment with such names or initials or other insignia as are customarily used by Lessee on its cars of the same or similar type for convenience of identification of the right of Lessee to use and operate the Equipment under this Agreement."

"25. Whenever requested by Lessor, but not more than once in each year during the Basic Term, Lessee shall deliver to Lessor a certificate, signed by the President or any Vice President of Lessee, accurately listing and identifying by road numbers each 50-foot box car included in the Equipment and describing in

particular (i) the number and identification of each box car then in actual service, (ii) the number and identification of each box car that has been lost, stolen, destroyed, seized, confiscated, rendered unfit for use or damaged beyond repair and (iii) the number and identification of each box car then undergoing repairs. Such certificate shall contain such other information regarding the condition and state of repair of the Equipment as Lessor shall reasonably request and shall also contain a statement to the effect that Lessee has duly complied with the provisions of Section 8(e) and Section 24.

26. Early Termination. Provided that no Event of Default, or any other event which with the giving of notice or lapse of time would constitute an Event of Default, shall have occurred and be continuing, Lessee shall have the option upon not less than thirty days' prior written notice to Lessor, to terminate this Agreement on any rental installment date by paying to Lessor an amount equal to the sum of (x) the Termination Value, as defined herein, for the Equipment as of such rental installment date and (y) any unpaid rent due on or before such rental installment date. Upon such payment this Agreement shall terminate and Lessee thereupon shall become entitled to the Equipment as-is-where-is, without recourse and without representation, warranties or agreements of any kind whatsoever, free and clear, however, of any claims, liens and encumbrances arising out of or relating to any action or conduct on the part of Lessor.

27. Insurance. Section 10 of the Agreement is hereby amended in its entirety to read as follows:

"10. Insurance. Lessee shall at all times carry and maintain on the equipment, at its own cost and expense, insurance, if any, in such amounts and against such risks as are usually maintained by companies in similar business as the Lessee."

28. Covenant. Emons Industries, Inc. shall not permit at anytime during the Basic Term, without the prior written consent of Lessor, the ratio of its liabilities, determined on a consolidated basis and in conformity with generally accepted accounting principles applied on a basis consistent with past practices, excluding liabilities subordinated to this Agreement, to consolidated net worth plus (i) such subordinated liabilities and (ii) any excess of book value of assets acquired over cost relating to the acquisition of the shares of the Maryland and Pennsylvania Railroad Company, if any, less (iii) good will, if any, to be greater than three to one.

SCHEDULE OF STIPULATED LOSS AND TERMINATION VALUES

<u>Rental Installment Date</u>	<u>Percentage of Cost</u>	<u>Rental Installment Date</u>	<u>Percentage of Cost</u>
1	100.61	41	88.65
2	100.47	42	88.19
3	100.31	43	87.72
4	100.15	44	87.24
5	99.98	45	86.76
6	99.80	46	86.27
7	99.62	47	85.77
8	99.42	48	85.26
9	99.22	49	84.75
10	99.02	50	84.22
11	98.80	51	83.69
12	98.57	52	83.15
13	98.34	53	82.61
14	98.10	54	82.05
15	97.85	55	81.49
16	97.60	56	80.92
17	97.33	57	80.34
18	97.06	58	79.76
19	96.78	59	79.16
20	96.49	60	78.56
21	96.20	61	77.95
22	95.90	62	77.33
23	95.59	63	76.71
24	95.27	64	76.08
25	94.94	65	75.44
26	94.61	66	74.79
27	94.26	67	74.13
28	93.91	68	73.47
29	93.56	69	72.79
30	93.19	70	72.11
31	92.82	71	71.43
32	92.43	72	70.73
33	92.04	73	70.03
34	91.65	74	69.32
35	91.24	75	68.60
36	90.83	76	67.87
37	90.41	77	67.13
38	89.98	78	66.39
39	89.54	79	65.64
40	89.10	80	64.88

SCHEDULE OF STIPULATED LOSS AND TERMINATION VALUES

<u>Rental Installment Date</u>	<u>Percentage of Cost</u>	<u>Rental Installment Date</u>	<u>Percentage of Cost</u>
81	64.12	113	35.44
82	63.34	114	34.42
83	62.56	115	33.38
84	61.77	116	32.34
85	60.97	117	31.29
86	60.17	118	30.24
87	59.35	119	29.17
88	58.53	120	28.10
89	57.70	121	27.02
90	56.86	122	25.93
91	56.02	123	24.83
92	55.17	124	23.73
93	54.31	125	22.62
94	53.44	126	21.50
95	52.56	127	20.37
96	51.68	128	19.24
97	50.78	129	18.09
98	49.88	130	16.94
99	48.98	131	15.78
100	48.06	132	14.62
101	47.14	133	13.44
102	46.21	134	12.26
103	45.27	135	11.07
104	44.32	136	9.87
105	43.37	137	8.66
106	42.40	138	7.45
107	41.43	139	6.23
108	40.45	140	5.00
109	39.47	141	3.76
110	38.47	142	2.51
111	37.47	143	1.26
112	36.46	144	0.00

ACCEPTANCE CERTIFICATE
(EQUIPMENT LEASE)

This has reference to the Equipment Lease Agreement dated as of October 5, 1976
("Agreement") between BT Leasing Services Inc.

_____ and the undersigned, as Lessee. The terms used herein which are defined in
the Agreement shall have the same meanings as are provided therefor in the Agreement.

The undersigned hereby certifies that the following equipment (the "Delivered Equipment") was delivered to
the undersigned at the Equipment Location on the date set forth below and is now located there:

<u>Quantity</u>	<u>Description</u>	<u>Car Numbers</u>
36	70 ton, 50' 6", single sheathed, outside stake, rigid underframe general purpose box cars, Class "XM"	MPA 9164-9199 (inclusive)

The undersigned hereby confirms each of the acknowledgements set forth in the Agreement with respect to the
Delivered Equipment.

LESSEE

Maryland and Pennsylvania Railroad Company

by _____
(Title)

Dated: _____, 19____

BILL OF SALE

Maryland and Pennsylvania Railroad Company (herein called "Seller"), in consideration of the sum of One Dollar and other good and valuable consideration paid by BT Leasing Services Inc. (herein called "Buyer"), does hereby grant, bargain, sell, transfer and set unto Buyer, its successors and assigns, the following items of equipment (herein called the "Equipment") which has been delivered by various suppliers:

<u>Quantity</u>	<u>Description</u>	<u>Car Numbers</u>
36	70 ton, 50' 6", single sheathed, outside stake, rigid underframe general purpose box cars, Class "M"	MPA 9164-9199 (inclusive)

To have and to hold all and singular the Equipment to Buyer its successors and assigns, for its and their own use and behalf forever.

And Seller hereby warrants to Buyer, its successors and assigns, that Seller has legal title to the Equipment and good and lawful right to sell the Equipment and title to the Equipment is free and clear of all claims, mortgages, pledges, liens, security interests, charges and encumbrances of any nature whatsoever.

IN WITNESS WHEREOF, Seller has caused this instrument to be executed in its name by a duly authorized officer and its corporate seal to be hereunder affixed, duly attested, the _____ day of _____, 1976.

By _____ Title

SEAL

CONDITIONAL SALE AGREEMENT

CONDITIONAL SALE AGREEMENT made as of Sept. 18 , 1975,
between Emons Leasing Co., Inc. ("Vendor") and MARYLAND AND
PENNSYLVANIA RAILROAD COMPANY ("Vendee");

W I T N E S S E T H :

WHEREAS, Vendor is owner of 100 railroad
boxcars to be used or intended to be used in interstate commerce,
as more particularly described in Exhibit A hereto (hereinafter
called the "Equipment"); and

WHEREAS, Vendor desires to sell and Vendee desires to
buy the Equipment by a conditional sale thereof upon the terms
and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the
covenants and agreements hereinafter set forth, the parties
hereto agree as follows:

ARTICLE 1. Sale of Equipment. Vendor hereby sells
the Equipment to Vendee and Vendee hereby agrees to pay for the
Equipment as hereinafter provided.

ARTICLE 2. Acceptance. From time to time Vendor will
deliver Equipment to Vendee which shall execute appropriate

EXHIBIT E

certificates of delivery therefor to evidence the receipt of the Equipment and the inclusion thereof under this agreement. Such Equipment shall be held by Vendee under and subject to all the provisions of this agreement and Vendee assumes all responsibility and risk of loss with respect to the Equipment as hereinafter provided.

ARTICLE 3. Purchase Price and Payment.

The aggregate purchase price shall be \$4,160,717.00, payable in 83 equal monthly installments of \$49,532.34 each and a final installment of \$49,532.80. The first installment shall be due on October 20, 1975 and subsequent installments on the twentieth day of each month thereafter.

Vendee will pay, to the extent legally enforceable, interest at the rate of 12% per annum upon all amounts remaining unpaid after the same shall have become due and payable pursuant to the terms hereof, anything herein to the contrary notwithstanding.

All payments provided for in this Agreement, shall be made by Vendee in such funds and at such places as Vendor may specify.

ARTICLE 4. Taxes. The Vendee agrees that, during the continuance of this Agreement, in addition to all other payments

herein provided, it will promptly pay or cause to be paid all Federal, state or local taxes, assessments, charges, fines, penalties or licenses (hereinafter collectively called "taxes"), hereinafter levied or imposed upon, or measured by, this Agreement or any assignment hereof, or participation or interest in any assignment hereof, or any sale, use, payment, shipment, delivery or transfer of title of the Equipment under the terms hereof, or upon the Equipment or any of the units thereof (other than income, gross receipts (except gross receipts taxes in the nature of and in lieu of sales taxes) or excess profits taxes imposed upon the Vendor with respect to the amounts received by them under this Agreement), or upon the interest of the Vendee herein, or upon the Vendor solely by reason of their ownership of the Equipment or any of the units thereof, and will keep at all times all and every part of the Equipment free and clear of all taxes and assessments which might in any way affect the title of Vendor or result in a lien upon the Equipment or any of the units thereof; and if any such taxes shall have been levied against Vendor directly and paid by Vendors, Vendee shall reimburse Vendor on presentation of an invoice therefor; provided, however, that Vendee shall be under no obligation to pay any taxes of any kind as long as it is contesting in good faith and by appropriate legal proceedings such taxes, and the nonpayment thereof does not, in the opinion of Vendor, adversely affect the property or rights

of Vendor hereunder. In the event any tax reports are required to be made on the basis of individual units, the Vendee will either make such reports in such manner as to show the ownership of such units by the Vendor or will notify the Vendors of such requirement and will make such reports in such manner as shall be satisfactory to the Vendor.

ARTICLE 5. Title to the Equipment. Vendor shall and hereby does retain the full legal title to and property in the Equipment and a security interest therein until Vendee shall have made all of the payments hereunder and shall have kept and performed all its agreements herein contained, notwithstanding the delivery of the Equipment to and the use thereof by Vendee as herein provided; and the Vendee agrees that the Vendor shall have such a security interest. Any part, fixture or device attached to the Equipment shall constitute accession to the Equipment and shall be included in the term "Equipment" as used in this Agreement.

When and only when Vendor shall have been paid the full indebtedness in respect of the purchase price of the Equipment, together with interest and all other payments as herein provided, and all Vendee's obligations herein contained shall have been performed, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in Vendee without further transfer or action on the part of Vendor, except that

Vendor, if requested by Vendee so to do, at the Vendee's expense will execute a bill or bills of sale of the Equipment transferring their title thereto and property therein to Vendee or upon its order free of all liens, encumbrances and security interests created or retained hereby and deliver such bill or bills of sale to Vendee at its address specified in Article 22 hereof, and at the Vendee's expense will execute in the same manner and deliver at the same place for record or for filing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order to make clear upon the public records the title of Vendee to the Equipment, and will pay to Vendee any money paid to Vendors pursuant to Article 7 hereof and not theretofore applied as therein provided. Vendee hereby waives and releases any and all rights, existing or that may be acquired, in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such bill or bills of sale or to file any certificate of payment in compliance with any law or statute requiring the filing of the same, except for failure to execute and deliver such bill or bills of sale or such instrument or instruments within a reasonable time after written demand of Vendee.

ARTICLE 6. Marking of Equipment. Vendee will promptly cause to be plainly, distinctly, permanently and conspicuously marked by stencilling or otherwise, on each side of each unit of

the Equipment, in letters not less than one inch in height, the name of the Vendor, or if this Agreement is assigned by the Vendor, the name of the assignee of the Vendor, in either case followed by the words "Owners and Secured Party" (or other appropriate words designated by Vendor, or such assignee, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of Vendor, or such assignee to the Equipment and its rights under this Agreement).

Such marks shall be such as to be readily visible and as to indicate plainly ownership of the Equipment by Vendor or such assignee. In case any such marks shall at any time be removed, defaced or destroyed, Vendee will immediately cause the same to be restored or replaced.

Vendee will cause each unit of the Equipment to be kept numbered with the identifying number thereof as set out in Exhibit A hereto, and will not permit the numbers of any such units to be changed except with the consent of Vendor and in accordance with a statement of new numbers to be substituted therefor, which consent and statement previously shall have been filed with Vendor by Vendee and filed, registered and recorded in all public offices where this Agreement shall have been filed, registered and recorded.

Vendee will not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership; but Vendee may permit

the Equipment to be lettered "Maryland and Pennsylvania Railroad Co." or in some other appropriate manner for convenience of identification of the interest of Vendee therein or to indicate the nature of the service furnished thereby, or if the Equipment is leased with the written consent of Vendor, the name of such lessee may be lettered thereon.

ARTICLE 7. Replacement. In the event that any unit of the Equipment shall be worn out, lost, destroyed or irreparably damaged from any cause whatsoever prior to the payment of the full indebtedness in respect of the purchase price of the Equipment, together with interest thereon and all other payments required hereby, Vendee shall promptly and fully inform Vendor in regard thereto. Vendee shall forthwith pay to Vendor a sum equal to the total value of such unit,

and Vendor shall not have any interest in any material salvageable from such units. For all purposes of this Article 7 the value of any unit worn out, lost, destroyed or irreparably damaged shall be the purchase price of such unit as set forth in Article 3 hereof, less depreciation (but not any accelerated amortization), at a rate not in excess of 10% per annum, for the period elapsed since the date of this Agreement to the date of its wearing out, loss, destruction or irreparable damage. The depreciation of a unit of the Equipment and the cost of a replacement thereof, shall be determined by a certificate

of a Vice President, the Treasurer, an Assistant Treasurer or the Chief Mechanical Officer of Vendee filed with Vendor at the time of the aforesaid payment and by such other and further evidence, if any, as shall reasonably be required by the Vendor.

Any money paid to Vendor pursuant to the preceding paragraph of this Article 7 shall, as Vendee may direct in a written instrument filed with Vendor at the time of such payment, be applied, in whole or in part (i) to pay the instalments of principal indebtedness payable pursuant to the first paragraph of Article 3 hereof, without premium, in the inverse order of their maturity, with interest (which Vendee shall also pay at such time) to the date of payment, or (ii) to or toward the cost of a unit or units of standard-gauge railroad equipment (other than work equipment) to replace such unit or units worn out, lost, destroyed or irreparably damaged.

Vendee will cause any replacing unit or units to be marked as provided in Article 6 hereof, and, if of the same character as the unit being replaced, to be numbered with the same number as such replaced unit. Any and all such replacements of Equipment shall constitute accessions to the Equipment and shall be subject to all of the terms and conditions of this Agreement as though part of the original Equipment hereunder and shall be included in the term "Equipment" as used in this Agreement. Title to all such replacements shall be free and

clear of all liens, encumbrances and security interests and shall be taken initially and shall remain in the name of Vendor subject to the provisions hereof, and Vendee shall execute, acknowledge, deliver, file, register and record all such documents and do any and all such acts as may be necessary to cause such replacements to come under and be subject to this Agreement and to protect the title of Vendor thereto.

ARTICLE 8. Maintenance and Repair. Vendee will at all times maintain, or cause the Equipment to be maintained, in good order and repair without expense to Vendor.

ARTICLE 9. Compliance with Laws and Rules. During the term of this Agreement Vendee will comply, or will cause the lessees or users of the Equipment to comply, in all respects with all laws of the jurisdictions in which operations involving the Equipment may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, to the extent that such laws and rules affect the operation or use of the Equipment, and in the event that such laws or rules require the alteration of the Equipment, Vendee will conform therewith, at its expense, and will maintain the same in proper condition for operation under such laws and rules; provided, however, that Vendee may, in good faith, contest the

validity or application of any such law or rule in any reasonable manner which does not, in the opinion of Vendor, adversely affect the property or rights of Vendor hereunder.

ARTICLE 10. Reports and Inspections. On or before November 30 in each year, commencing with the year 1974, at the request of Vendor, Vendee will furnish or cause to be furnished to Vendors an accurate statement showing, as at the preceding August 31, the amount, description and numbers of all units of the Equipment that may have been worn out, lost, destroyed or irreparably damaged, whether by accident or otherwise, during the preceding calendar years, and such other information regarding the condition and state of repair of the Equipment as Vendor may reasonably request. Vendor shall have the right, by their agents, but shall be under no obligation, to inspect the Equipment and the records of Vendee with respect thereto at any reasonable time during the continuance of this Agreement; provided, however, that Vendee does not hereby assume liability for any injury to, or the death of, any agent or employee of Vendor incurred while exercising any rights of Vendor under the preceding provisions of this sentence.

ARTICLE 11. Possession and Use. Vendee, so long as it shall not be in default under this Agreement, shall be entitled to the possession of the Equipment and also to the use thereof (a) upon the lines of railroad owned or operated by it under lease or

otherwise or over which it has trackage rights, and (b) by other railroads in the usual interchange of traffic or the ordinary exchange of Cars under Joint Car Service Rules, reciprocal equalization arrangements or otherwise. Vendee also may, with the written approval of Vendor or its assignee, lease the Cars, or any of them, to another railroad subject to the terms and provisions of this Agreement; provided, however, that any such lease shall be expressly subject to the rights of the Vendor under this Agreement.

ARTICLE 12. Prohibition Against Liens. Vendee will pay or cause to be paid, or otherwise satisfy and discharge, any and all sums claimed by any party by, through or under Vendee or its successors or assigns which, if unpaid, might become a lien or a charge upon the Equipment, or any unit thereof, or give rise to a security interest therein, equal or superior to the title of Vendor thereto, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of Vendors, adversely affect the property or rights of Vendors hereunder.

ARTICLE 13. Indemnities. Vendee agrees to indemnify and save harmless Vendor from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless

of the cause thereof, and expenses in connection therewith, including counsel fees, arising out of the retention by Vendor of title to the Equipment or out of the use and operation thereof by Vendee or any other person during the period when title thereto remains in Vendor. This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the indebtedness in respect of the purchase price and the conveyance of the Equipment, as provided in Article 5 hereof, or the termination of this Agreement in any manner whatsoever. Any sum of money paid by Vendor in discharge of liens and charges on or security interests in the Equipment shall be secured by and under this Agreement.

Vendee will bear the risk of, and shall not be released from its obligations hereunder in the event of, any damage to or the destruction or loss of any unit of or all the Equipment.

ARTICLE 14. Patent Indemnities. The Vendee agrees to indemnify, protect and hold harmless Vendor from and against any and all liability, claims, demands, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against Vendor because of the use in or about the construction or operation of the Equipment, or any unit thereof, of any design, article or material infringing or claimed to infringe on any patent or other right.

ARTICLE 15. Assignments. Vendee will not sell, assign, transfer or otherwise dispose of its rights under this Agreement or, except as provided in Article 11 hereof, transfer the right to possession of any unit of the Equipment without first obtaining the written consent of Vendor, and its assignee, if any.

All or any of the rights, benefits and advantages of Vendor under this Agreement with respect to any one or more of the units of Equipment, including the right to receive the payments herein provided to be made by Vendee, may be assigned by Vendors and reassigned by any assignee in whole or in part at any time or from time to time.

Upon any such assignment either the assignor or the assignee shall give written notice to Vendee, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall by virtue of such assignment acquire all of Vendor's right, title and interest in and to the Equipment, or in and to a portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by Vendee of the notification of any such assignment, all payments thereafter to be made by Vendee hereunder shall, to the extent so assigned, be made to or for the account of the assignee in such manner as it may direct.

Vendee understands that the transfer or assignment of this Agreement, or of some or all of the rights of Vendor hereunder, is contemplated. Vendee expressly represents, for the purposes of assurance to any person, firm or corporation considering the acquisition of this Agreement or of all or any of the rights of Vendor hereunder, and for the purpose of inducing such acquisition, that in the event of such transfer or assignment by Vendor as hereinbefore provided, the rights of such assignee to all instalment payments of indebtedness or other unpaid indebtedness in respect of purchase price or such part thereof as may be assigned, together with interest thereon, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever arising out of any breach of any obligation of Vendor in respect of the Equipment or any obligation of Owners pursuant to this Agreement, nor subject to any defense, set-off, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to Vendee by the Vendor. Any and all such obligations, howsoever arising, shall be and remain enforceable by Vendee against and only against Vendor, and shall not be enforceable against any party or parties in whom title to the Equipment, or any of it, or the right of the Vendor hereunder, shall vest by reason of any sale, assignment or transfer or successive sales, assignments or transfers.

In the event of any such transfer or assignment, Vendee will, in connection with each settlement for the Equipment, or any part thereof, deliver to the assignee or transferee all documents required by the terms of such transfer or assignment to be delivered by the Vendee to the assignee or transferee in connection with such settlement.

If this Agreement is assigned by Vendor and notice thereof shall be given to Vendee, Vendee agrees to pay to or for the account of such assignee, any sums payable by Vendee to Vendor pursuant to this Agreement and assigned pursuant to such assignment.

In the event of any such transfer or assignment, or successive transfers or assignments by Vendor, of title to the Equipment and of Vendor's rights hereunder in respect thereof, Vendee will, whenever requested by such transferee or assignee, change or cause the change of the markings to be maintained on each side of each unit of the Equipment so as to indicate the title of such transferee or assignee to the Equipment, such markings to bear such words or legend as shall be specified by such transferee or assignee.

Nothing in this Article 15 shall be deemed to restrict the right of the Vendee to assign or transfer its interest under this Conditional Sale Agreement in the Equipment or possession of

the Equipment to any corporation (which shall have assumed the obligations hereunder of Vendee) into which it shall have become merged or consolidated or which shall have acquired the property of the Vendee as an entirety or substantially as an entirety.

ARTICLE 16. Defaults. In the event that any one or more of the following events of default (hereinafter called "events of default") shall occur and be continuing, to wit:

(a) Vendee shall fail to pay in full any sum payable by it as herein provided within ten (10) days after the mailing by Vendor to it of notice of such failure; or

(b) Vendee shall refuse, or for more than thirty (30) days after Vendor shall have demanded in writing performance thereof shall fail, to comply with any covenant, agreement, term or provision satisfactory to Vendor for such compliance; or

(c) Any proceedings shall be commenced by or against Vendee for the appointment of a receiver or receivers, or for relief under any bankruptcy or insolvency law, or law relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment or impairment of any obligations contained in this Agreement), or Vendee shall suffer any involuntary transfer of its interest in and under this Agreement by

bankruptcy or by the appointment of a receiver or trustee, or by the execution or by any judicial or administrative decree or process or otherwise (unless such transfer, decree or process shall within thirty days from the effective date thereof be nullified, stayed or otherwise rendered ineffective), and all obligations of Vendee under this Agreement shall not have been either duly assumed in writing pursuant to a court order or decree by a trustee or trustees or receiver or receivers appointed by Vendee or for its property in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers in bankruptcy or insolvency proceedings by assumption thereof pursuant to order or decree of such court by the trustee or receiver in such proceedings, or otherwise, within thirty days after such appointment, if any, or sixty days after such proceedings shall have been commenced, whichever shall be earlier (unless such proceeding shall have theretofore been dismissed or discontinued); or

(d) Vendee shall make or suffer any unauthorized assignment or transfer of this Agreement or any interest herein or any unauthorized transfer of the right to possession of any unit of the Equipment;

then at any time after the occurrence of such an event of default

Vendor may, upon written notice to Vendee and upon compliance with any legal requirements then in force and applicable to such action by Vendor, declare the entire indebtedness in respect of the purchase price of the Equipment, together with interest thereon accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such indebtedness and interest shall bear interest from the date of such declaration at the rate of 12% per annum, to the extent legally enforceable, and Vendor shall thereupon be entitled to recover judgment for the entire unpaid balance of the indebtedness in respect of the purchase price of the Equipment so payable, with interest as aforesaid, and to collect such judgment out of any property of Vendee wherever situated.

Vendor may at its election waive any such event of default and its consequences and rescind and annul any such declaration by notice to Vendee in writing to that effect and thereupon the respective rights of the parties shall be as they would have been if no such default had existed and no such declaration had been made. Notwithstanding the provisions of this paragraph, it is expressly understood and agreed by Vendee that time is of the essence of this Agreement and that no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

ARTICLE 17. Remedies. If an event of default shall occur, then at any time after the entire indebtedness in respect of

the purchase price shall have been declared immediately due and payable as hereinbefore provided, Vendor, to the extent not prohibited by any mandatory requirements of law, may, upon such further notice, if any, as may be required for compliance with any mandatory requirements of law applicable to the action to be taken by Vendor, take or cause to be taken by their agent or agents immediate possession of the Equipment, or any unit thereof, without liability to return to Vendee any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Article 17 expressly provided, and may remove the same from possession and use of Vendee, or any other person, and for such purpose may enter upon Vendee's premises where any of the Equipment may be located, and may use and employ in connection with such removal any available trackage and other facilities or means of Vendee, without process of law. In case Vendor shall rightfully demand possession of the Equipment in pursuance of this Agreement and shall reasonably designate a point or points upon the premises of Vendee for the delivery of the Equipment to Vendor, Vendee shall, at its own expense, forthwith and in the usual manner, cause the Equipment to be moved to such a point or points as shall be designated by Vendor and shall there deliver the Equipment or cause it to be delivered to Vendor; and, at the opinion of Vendor, Vendor may keep the Equipment on any of the premises of Vendee until Vendor shall have leased, sold or otherwise disposed of the

same, and for such purpose Vendee agrees to furnish, without charge for rent or storage, the necessary facilities at any point or points selected by Vendor reasonably convenient to Vendee. This agreement to deliver the Equipment as hereinbefore provided is of the essence of the agreement between the parties, and, upon application to any court of equity having jurisdiction in the premises, Vendor shall be entitled to a decree against Vendee requiring specific performance hereof. Vendee hereby expressly waives any and all claims against Vendor and their agent or agents for damages of whatever nature in connection with any retaking of any unit of the Equipment in any reasonable manner.

If an event of default shall occur, then at any time after the entire indebtedness in respect of the purchase price shall have been declared immediately due and payable as hereinbefore provided, Vendor may proceed to exercise one or more, or all, of the Vendee's rights and remedies relating to the use of any of the Equipment, and in such event may collect any payments due therefor.

If an event of default shall occur, then at any time after the entire indebtedness in respect of purchase price shall have been declared immediately due and payable as hereinbefore provided, Vendor (after retaking possession of the Equipment as hereinbefore in this Article 17 provided) may at its election retain the Equipment as its own and make such disposition thereof

as Vendor shall deem fit, and in such event all of Vendee's rights in the Equipment will thereupon terminate and, to the extent not prohibited by any mandatory requirements of law, all payments made by Vendee may be retained by Vendor as compensation for the use of the Equipment by Vendee; provided, however, that if Vendee, within twenty days of receipt of notice of Vendor's election to retain the Equipment for its own use, as hereinafter provided, shall pay or cause to be paid to Vendor the total unpaid balance of the indebtedness in respect of the purchase price of all the Equipment, together with interest thereon accrued and unpaid and all other payments due by Vendee under this Agreement, then in such event absolute right to the possession of, title to and property in such Equipment shall pass to and vest in Vendee; or Vendor with or without retaking possession thereof, may at its election sell the Equipment, or any unit thereof, free from any and all claims of Vendee, or of any other party claiming by, through or under Vendee, at law or in equity, at public or private sale and with or without advertisement as Vendor may determine, all subject to and in compliance with any mandatory requirements of law then in force and applicable to such sale; and the proceeds of such sale, less the attorney's fees and any other expenses incurred by Vendor in taking possession of, removing, storing and selling the Equipment, shall be credited on the amount due to

Vendor under the provisions of this Agreement. Written notice of Vendor's election to retain the Equipment for its own use may be given to Vendee by telegram or registered mail addressed to Vendee as provided in Article 22 hereof, at any time during a period of thirty days after the entire indebtedness in respect of purchase price shall have been declared immediately due and payable as hereinbefore provided; and if no such notice shall have been given, Vendor shall be deemed to have elected to sell the Equipment in accordance with the provisions of this Article 17.

To the extent permitted by any mandatory requirements of law then in force and applicable thereto, any sale of the Equipment hereunder may be held or conducted at premises of vendee in York, Pa.

at such time or times as Vendor may fix (unless Vendor shall specify a different place or places, in which case the sale shall be held at such place or places and at such time or times as Vendor may specify), in one lot and as an entirety, or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as Vendor may determine in compliance with any such requirements of law, provided that Vendee shall be given written notice of such sale as provided in any such requirements, but in any event not less than ten days prior thereto, by telegram or registered mail addressed to Vendee as provided in Article 22 hereof. If such sale shall be a private sale permitted by such requirements,

it shall be subject to the right of Vendee to purchase or provide a purchaser, within ten days after notice of the proposed sale, at the same price offered by the intending purchaser or a better price. To the extent not prohibited by any such requirements of law, Vendor may itself bid for and become the purchaser of the Equipment, or any unit thereof, so offered for sale without accountability to Vendee (except to the extent of surplus money received as hereinafter provided in this Article 17), and in payment of the purchase price therefor Vendor shall be entitled to the extent not prohibited as aforesaid to have credited on account thereof all sums due to Vendor from Vendee hereunder.

Each and every power and remedy hereby specifically given to Vendor shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by Vendor. All such powers and remedies shall be cumulative and the exercise any other or others. No delay or omission of Vendor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein.

If, after applying all sums of money realized by Vendor under the remedies herein provided, there shall remain any amount due to them under the provisions of this Agreement, Vendee shall pay the amount of such deficiency to Vendor upon demand and, if Vendee shall fail to pay such deficiency, Vendor may bring suit therefor and shall be entitled to recover a judgment therefor against Vendee. If, after applying as aforesaid all sums realized by Vendors, there shall remain a surplus in the possession of Vendors, such surplus shall be paid to Vendee.

Vendee will pay all reasonable expenses, including attorneys' fees, incurred by Vendor in enforcing its remedies under the terms of this Agreement. In the event that Vendor shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit Vendor may recover reasonable expenses, including attorneys' fees, and the amount thereof shall be included in such judgment.

In the event of assignments of interests hereunder to more than one assignee, each such assignee shall be entitled to exercise all rights of Vendor hereunder in respect of the Equipment assigned to such assignee, irrespective of any action or failure to act on the part of any other assignee.

ARTICLE 18. Applicable State Laws. Any provision of this Agreement prohibited by any applicable law of any State or the

District of Columbia, or which would convert this Agreement into any instrument other than agreement of conditional sale, shall as to such jurisdiction be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any applicable law may be waived, they are hereby waived by Vendee to the fullest extent permitted by law, to the end that this Agreement shall be deemed to be an agreement of conditional sale and enforced as such.

Except as otherwise provided in this Agreement, Vendee to the fullest extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell or lease the Equipment, or any unit thereof, and any other requirements as to the time, place and terms of sale thereof, any other requirements with respect to the enforcement of Vendor's rights hereunder and any and all rights of redemption.

ARTICLE 19. Extension Not a Waiver. No delay or omission in the exercise of any power or remedy herein provided or otherwise available to Vendor shall impair or affect Vendor's right thereafter to exercise them. Any extension of time for payment hereunder or other indulgence duly granted to Vendee shall not otherwise alter or affect Vendor's rights or Vendee's obligations hereunder. Vendor's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect Vendee's rights hereunder with respect to any subsequent payments

or any prior or subsequent default hereunder.

ARTICLE 20. Recording. Vendee shall at its expense promptly cause this Agreement and any assignments hereof, and any supplements hereto or thereto, to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act; and Vendee shall at its expense promptly from time to time do and perform any other act and shall execute, acknowledge, deliver, file, register and record any and all further instruments required by law or reasonably requested by Vendor for the purpose of proper protection, to the satisfaction of counsel for Vendor, of their title to and security interest in the Equipment and their rights under this Agreement or for the purpose of carrying out the intention of this Agreement; and Vendee will promptly furnish or cause to be furnished to Vendor certificates or other evidences of such filing, registration and recording, and an opinion or opinions of counsel for Vendee with respect thereto, satisfactory to Vendor.

ARTICLE 21. Payment of Expenses. Vendee will pay all expenses of the Vendor, including stamp or other taxes, if any, and will also pay the expense of printing or other duplicating, execution, acknowledgment, delivery, filing, registration or

recording of this Agreement, of the first assignment by Vendor of this Agreement, or any instrument supplemental to or amendatory of this Agreement or such assignment, and of any certificate of the payment in full of the indebtedness in respect of purchase price due hereunder.

ARTICLE 22. Notice. Any notice hereunder to Vendee shall be deemed to be properly served if delivered or mailed to Vendee at 490 East Market Street, York, Pa. 17403, or at such other address as may have been furnished in writing by Vendee to Vendor. Any notice hereunder to the Vendor shall be deemed to be properly served if delivered or mailed to the Vendor, at 10 Fieldcrest Drive, East Brunswick, N.J. or at such other address as may have been furnished in writing to Vendee by Vendor. An affidavit by any person so delivering or mailing such notice in respect of such delivery or mailing shall be deemed to be and shall be conclusive evidence of the giving and receipt of such notice.

ARTICLE 23. Headings. All article headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

ARTICLE 24. Law Governing. The terms of this Agreement and all rights and obligations hereunder shall be governed by the

laws of the Commonwealth of Pennsylvania; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

ARTICLE 25. Execution. This Agreement may be simultaneously executed in any number of counterparts, each of which so executed shall be deemed an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart.

ARTICLE 26. Variation and Waiver. No variation of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by or on behalf of Vendor and Vendee.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day, month and year first above written.

EMONS LEASING CO., INC.

By: Robert Grossman

MARYLAND & PENNSYLVANIA
RAILROAD COMPANY

By: Merwin L. Gray

STATE OF NEW YORK)

SS.:

COUNTY OF NEW YORK)

On the 10/31/75 before me came
ROBERT GROSSMAN, to me known, who being by me duly
sworn, did depose and say that he resides at
90 Ocean Avenue, Massapequa, Long Island, New York 11758
that he is the President of Emons Leasing Co., Inc.
the Corporation described in and which executed the
foregoing instrument; that he knows the seal of said
Corporation; that the seal affixed to said instrument
is such corporate seal; that it was so affixed by order
of the Board of Directors of said Corporation; and that
he signed his name thereto by like order.

Judith H. Mazzetta (CZRH)
Notary Public

JUDITH H. MAZZETTA (CZRH)
Notary Public, State of New York
No. 31-7782325
Qualified in New York County
Commission Expires March 30, 1976

STATE OF NEW YORK)

SS.:

COUNTY OF NEW YORK)

On the 10/31/75 before me came
HERMAN LAZARUS, to me known, who being by me duly
sworn, did depose and say that he resides at
555 Ardmore Lane, York Pennsylvania
that he is the President of the Maryland and Pennsylvania
Railroad Company, the Corporation described in and which
executed the foregoing instrument; that he knows the seal
of said Corporation; that the seal affixed to said instrument
is such corporate seal; that it was so affixed by order
of the Board of Directors of said Corporation; and that
he signed his name thereto by like order.

Judith H. Mazzetta (CZRH)
Notary Public

JUDITH H. MAZZETTA (CZRH)
Notary Public, State of New York
No. 31-7782325
Qualified in New York County
Commission Expires March 30, 1976

EXHIBIT "A"

- 100 - New 70 ton 50'6" Single Sheathed, Outside Stake, Rigid Underframe,
General Purpose Box Car, Class "XM" with the following markings:

MPA 9100 - 9199

STATE OF NEW YORK

SS.:

COUNTY OF NEW YORK

On this 29 day of April, 1976, before me personally appeared John Duncan, to me personally known, who, being by me duly sworn, says that he is the Vice President of BT LEASING SERVICES INC., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

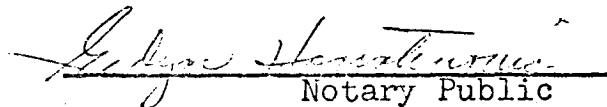
(NOTARIAL SEAL)

Margaret Malone
MARGARET M. MALONE
Notary Public, State of New York
No. 4516469 Qual. in Nassau County
Certificate filed in New York County
Commission Expires March 30, 1977

STATE OF PENNSYLVANIA

COUNTY OF YORK

On this 22nd day of April, 1976, before me personally appeared Herman Lazarus to me personally known, who, being by me duly sworn, says that he is the President of MARYLAND AND PENNSYLVANIA RAILROAD COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

(NOTARIAL SEAL)

MY COMMISSION EXPIRES
JANUARY 31, 1977
YORK, YORK COUNTY, PA.

CORPORATE GUARANTY
(EQUIPMENT LEASE)

In order to induce BT Leasing Services Inc.
(herein called "Lessor"), to enter into the Equipment Lease Agreement (herein called the "Agreement") dated as of October 5,, 19 with Maryland and Pennsylvania Railroad
Company, a Pennsylvania & Maryland corporation (herein called "Lessee"), to enter into the other instruments and agreements referred to therein and to acquire the Equipment (as defined in the Agreement), and lease same to Lessee in the manner contemplated by the Agreement, and in consideration thereof and of the benefits to accrue to the undersigned arising out of the transactions contemplated by the Agreement, the undersigned hereby makes the following representations and warranties to Lessor and hereby covenants and agrees with Lessor as follows:

1. The undersigned irrevocably and unconditionally guarantees to Lessor payment when due (whether by acceleration or otherwise) of all amounts to be paid by Lessee under, and the prompt and faithful observance and performance by Lessee of all of the conditions, covenants, agreements and other obligations and liabilities of Lessee contained in, the Agreement and all of the agreements and instruments referred to therein or contemplated thereby, including (without limitation) each Equipment Lease (as defined in the Agreement). All of such amounts, conditions, covenants, agreements and other obligations and liabilities are herein collectively called the "Guaranteed Obligations".

2. The undersigned waives notice of acceptance of this Guaranty and notice of any liability to which it may apply, and waives presentment, demand of payment, protest, notice of dishonor or nonpayment of any such liabilities, suit or taking other action by Lessor against, and any other notice to, any party liable thereon (including the undersigned).

3. Lessor may at any time and from time to time without the consent of, or notice to, the undersigned, without incurring responsibility to the undersigned, without impairing or releasing the obligations of the undersigned hereunder, upon or without any terms or conditions and in whole or in part:

(a) change the manner, place or terms of payment, observance and/or performance of, and/or change or extend the time of payment, observance and/or performance of, renew or alter, any of the Guaranteed Obligations, any security therefor, or any liability incurred directly or indirectly in respect thereof, and the guaranty herein made shall apply to the Guaranteed Obligations as so changed, extended, renewed or altered;

(b) sell, exchange, release, surrender, realize upon or otherwise deal with in any manner and in any order any property by whomsoever at any time pledged or mortgaged to secure, or howsoever securing, the Guaranteed Obligations or any liabilities (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and/or any offset thereagainst;

(c) exercise or refrain from exercising any rights against Lessee or others (including the undersigned) or otherwise act or refrain from acting;

(d) settle or compromise any of the Guaranteed Obligations, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment, observance and/or performance of all or any part thereof to the payment of any liability (whether due or not) of Lessee to creditors of Lessee other than Lessor and the undersigned;

(e) apply any sums by whomsoever paid or howsoever realized to any liability or liabilities of Lessee to Lessor regardless of what liability or liabilities of Lessee remain unpaid;

(f) consent to or waive any breach of, or any act, omission or default under, the Agreement or any of the instruments or agreements referred to therein; and/or

(g) modify or amend in any manner any of the provisions of the Agreement or any of the instruments or agreements referred to therein.

4. No invalidity, irregularity or unenforceability of all or any part of the Guaranteed Obligations or of any security therefor shall affect, impair or be a defense to this Guaranty, and this Guaranty is a primary obligation of the undersigned.

5. If and to the extent that the undersigned makes any payment to Lessor or to any other person pursuant to or in respect of this Guaranty, any claim which the undersigned may have against Lessee by reason thereof shall be subject and subordinate to the prior payment, observance and/or performance in full of all of the Guaranteed Obligations.

6. So long as the Agreement is in effect and until all of the Guaranteed Obligations and all of the liabilities and obligations of the undersigned under this Guaranty are discharged and/or paid in full, the undersigned will furnish Lessor with reasonable promptness such financial statements and such other information respecting the business, operations and financial condition of the undersigned as Lessor may from time to time reasonably request.

7. The undersigned makes the following representations and warranties which shall survive the execution and delivery of this Guaranty:

(a) The undersigned is a duly organized and validly existing corporation in good standing under the laws of the State of New York and has the corporate power and authority to own its property and assets and to transact the business in which it is engaged or presently proposes to engage. The undersigned is duly qualified or licensed as a foreign corporation in good standing in every jurisdiction in which the nature of the business in which it is engaged makes such qualification or licensing necessary.

(b) The undersigned has the corporation power and authority to execute, deliver and carry out the terms and provisions of this Guaranty, and the undersigned has taken all necessary corporate action (including, without limitation, any consent of stockholders required by law or by its Certificate of Incorporation or By-Laws) to authorize the execution and delivery of this Guaranty.

(c) There are no actions, suits or proceedings pending, or to the knowledge of the undersigned threatened, against or affecting the undersigned before any court or before any governmental or administrative body or agency which might result in any material adverse change in the operations, business, property or assets or in the condition (financial or otherwise) of the undersigned.

(d) Neither the execution and delivery of this Guaranty, nor the consummation of the transactions herein contemplated, nor compliance with the terms and provisions hereof, will contravene any provision of law, statute, rule or regulation to which the undersigned is subject or any judgment, decree, franchise, order or permit applicable to the undersigned, or will conflict or will be inconsistent with, or will result in any breach of, any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, security interest, charge or encumbrance upon any of the property or assets of the undersigned pursuant to the terms of, any indenture, mortgage, deed of trust, agreement or other instrument to which the undersigned is a party or by which it may be bound, or to which it may be subject, or violate any provision of the Certificate of Incorporation, By-Laws or any preferred stock agreement of the undersigned.

(e) The undersigned owns 93% of the issued and outstanding shares of capital stock of Lessee, free and clear of all liens, security interests, charges and encumbrances of any kind.

(f) No consent or approval of, or exemption by, any governmental or public body or authority is required to authorize, or is required in connection with the execution, delivery and performance of, this Guaranty or of any of the instruments or agreements herein referred to, or the taking of any action hereby or thereby contemplated.

8. Upon the occurrence of an Event of Default (as defined in the Agreement), Lessor is hereby authorized at any time or from time to time, without notice to the undersigned or to any other person, any such notice being hereby expressly waived, to set off and to appropriate and apply any and all deposits (general or special) and any other indebtedness at any time held or owing by Lessor to or for the credit or the account of the undersigned against and on account of the obligations and liability of the undersigned to Lessor under this Guaranty, irrespective of whether or not Lessor shall have made any demand hereunder and although said obligations, liabilities or claims, or any of them, shall be contingent or unmatured.

9. This Guaranty is a continuing one and all liabilities to which it applies or may apply under the terms hereof shall be conclusively presumed to have been created in reliance hereon. No delay on the part of Lessor in exercising any of its options, powers or rights, or partial or single exercise thereof, shall constitute a waiver thereof. No waiver of any of its rights hereunder, and no modification or amendment of this Guaranty, shall be deemed to be made by Lessor unless the same shall be in writing, duly signed on behalf of Lessor, and each such waiver (if any) shall apply only with respect to the specific instance involved, and shall in no way impair the rights of Lessor or the obligations of the undersigned to Lessor in any other respect at any other time. This Guaranty and the rights and obligations of Lessor and of the undersigned hereunder shall be governed and construed in accordance with the law of the State of New York; and this Guaranty is binding upon the undersigned, its successors or assigns, and shall inure to the benefit of Lessor and its successors or assigns. The term "Lessor" includes any agent acting for Lessor.

10. The undersigned acknowledges receipt of an executed counterpart of the Agreement.

11. All requests, demands or other communications pursuant hereto shall be in writing addressed as follows: (i) if to Lessor, at its office set forth in the Agreement; and (ii) if to the undersigned, at its office at 490 E. Market Street, York, Pennsylvania 17403. No other method of giving notice is hereby precluded.

IN WITNESS WHEREOF, the undersigned has caused this Guaranty to be duly executed and delivered as of

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[SEAL]

Emons Industries, Inc.

Guarantor

By _____

Title

STATE OF NEW YORK)
 : SS.:
COUNTY OF NEW YORK)

On this 28th day of October, 1976, before me personally appeared ROBERT GROSSMAN, to me personally known, who, being by me duly sworn, says that he is the Vice President of MARYLAND AND PENNSYLVANIA RAILROAD COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Joyce D. Manner

JOYCE D. MANNER
Notary Public, State of New York
No. 4626969
Qualified in Westchester County
Commission Expires March 30, 1978

(NOTARIAL SEAL)

STATE OF NEW YORK)
 : SS.:
COUNTY OF NEW YORK)

On this 28th day of October, 1976, before me personally appeared CHARLES F. KILEY, to me personally known, who, being by me duly sworn, says that he is the Assistant Treasurer of BT LEASING SERVICES, INC., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Joyce D. Manner

JOYCE D. MANNER
Notary Public, State of New York
No. 4626969
Qualified in Westchester County
Commission Expires March 30, 1978

(NOTARIAL SEAL)